

A Digital Marketer's Guide to Performance TV

The Future of Performance Marketing

The Balancing Act: Awareness vs. Performance Marketing

Performance marketing has grown in popularity over the last decade, as marketing budgets have been slashed in order to maximize return on investment. While brand awareness is important, many marketers are focused on driving (and measuring) bottom-funnel actions, such as website visits, in-store visits, and purchases. Improvements in measurement for once considered upper-funnel media are coming fast and furious. These improvements are showing that lower-funnel media can have branding impacts, and upper-funnel media can have performance impacts.

What is Performance TV?

In short, more measurable real-world results and more granular reporting for marketers. Performance TV allows marketers to deliver ads to target audiences, measure campaign performance, and attribute bottom-funnel results. Two main benefits of performance TV are the ability to:

1. Deterministically, or definitively, track conversions from your campaign
2. Optimize those campaigns away from what doesn't work, toward what does—to drive better performance

The Rise of CTV

CTV offers the high-impact, brand storytelling power of traditional TV plus, the targeting, analytics, and interactivity of digital to provide a compelling environment for audiences to engage with messaging alongside premium content.

"Linear TV and CTV are converging, however, similar to the shifting holiday season, which is promoting earlier shopping each year, that doesn't mean it has made what to buy, where to buy, and whether or not you have the best deal clear for media buyers (and consumers), which is the case for advanced TV."

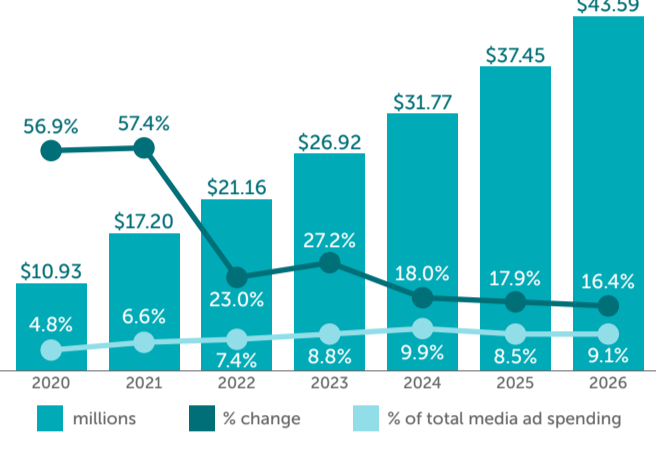
-Matt Sotebeer, Chief Strategy Officer, Digital Remedy

It's estimated that 86% of U.S. households will have a connected TV by 2023, and 88.5% will own one by 2026.¹ With a steady increase in CTV owners, it's clear that streaming isn't only for younger generations. In fact, 75% of Gen Xers are CTV users, and 47% of Baby Boomers, compared to 80% of Millennials and 71% of Gen Zers.² Being able to target consumers from all generations makes advertising on CTVs more and more appealing to advertisers.

There's never been a better time to invest in CTV. By 2023, CTV ad spending is expected to increase 27.2%, totaling over \$26.92b, increasing to \$31.77b by 2024.³ Showing no signs of slowing, CTV ad spend is expected to reach \$43.59b by 2026.

U.S. Connected TV (CTV) Ad Spending, 2020-2026

billions, % change, and % of total media ad spending

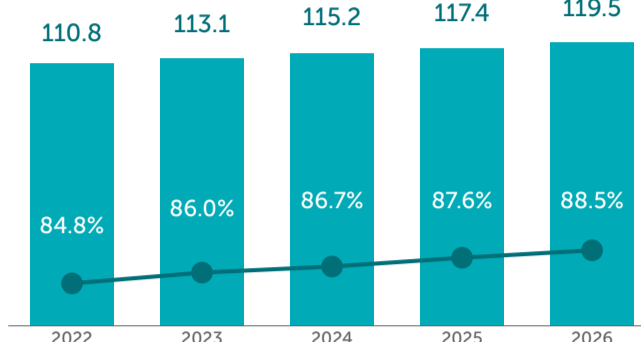


Note: digital advertising that appears on CTV devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV

Source: eMarketer, October 2022

Connected TV Households

U.S., 2022-2026



Note: households with at least one connected TV set, where at least one person of any age uses the internet through a connected TV at least once per month

Source: eMarketer, September 2022

For brands looking for new ways to maximize their marketing efforts, CTV is the perfect channel. **"We're seeing brands start to gear up for Black Friday and Cyber Monday and look toward new channels to leverage. CTV is definitely top-of-mind for these advertisers, as long as their investment can be backed up by performance. This makes attribution and optimization on this channel more important than ever."** - Ben Brenner, VP Business Development & Strategy, Digital Remedy

CTV's ability to merge the often-separated performance and brand marketing worlds—including its inherently addressable nature—is redefining the digital ad space and giving marketers a way to take their campaign measurement to the next level.

CTV Myths

- #### 1 CTV is replacing linear TV⁴

Despite the huge growth in SVOD and AVOD, linear is not going away. Linear TV will still account for significantly more ad dollars than CTV in 2023. Many think that it's an "either/or" situation, however, proper allocation of budget across both linear and OTT will be vital in reaching the right audiences at scale. These two mediums complement each other, letting advertisers target connected devices and households together.

Want to learn more about convergent TV, check out [our recent report](#).
- #### 2 CTV can't achieve scale

Though linear TV has a significant influence on brand awareness, the mass reach leads to inefficient advertising. Instead, CTV/OTT campaigns are driven by audience data. By refining targeting strategies, even mass reach can be optimized.
- #### 3 CTV advertising won't survive the cookieless world⁵

CTV environments have always been, and will continue to be, in control of their own data. Therefore, they are not affected in the same way by the death of the third-party cookie; they are not reliant on third-party data or cookies used for tracking and targeting in web browsers. The landscape is self-contained and the data used to target viewers is real-time and deterministic, meaning that it's based on what audiences are watching on their devices.
- #### 4 CTV is just a fad for the younger generation

Younger generations are not the only ones streaming TV content. Not only is CTV used by all generations, but is predicted to be the standard alongside linear TV in the future, proving that it's here to stay.
- #### 5 CTV ads are less effective than regular video advertising

CTV ads are equally as effective as ads on video-sharing platforms in attracting viewer attention and are often more impactful than traditional TV ads. According to viewers, the most effective CTV ads are those with feel-good content, good music, interesting stories and that maintain brand relevance.

Check out our [CTV/OTT Creative Tips and Best Practices](#) for ways to maximize your impact

How Digital Remedy Can Help

Finding the right performance CTV partner can make all the difference when it comes to optimizing your media strategy and maximizing ROAS in this fast-growing, highly-profitable market. While there are many ad tech vendors that offer different solutions, not all of them have the full scope of resources to make the most of advertising on this medium.

Digital Remedy offers first- and third-party data integrations, direct access to premium OTT publishers, real-time optimization, and granular, transparent bottom-funnel reporting through [Flip](#), our performance OTT stack. With Flip, brands gain access to a sophisticated reporting dashboard to monitor their campaigns, and real-time performance insights to optimize towards the KPIs that matter most. Flip provides a new standard in tracking, transparency, and results, including:

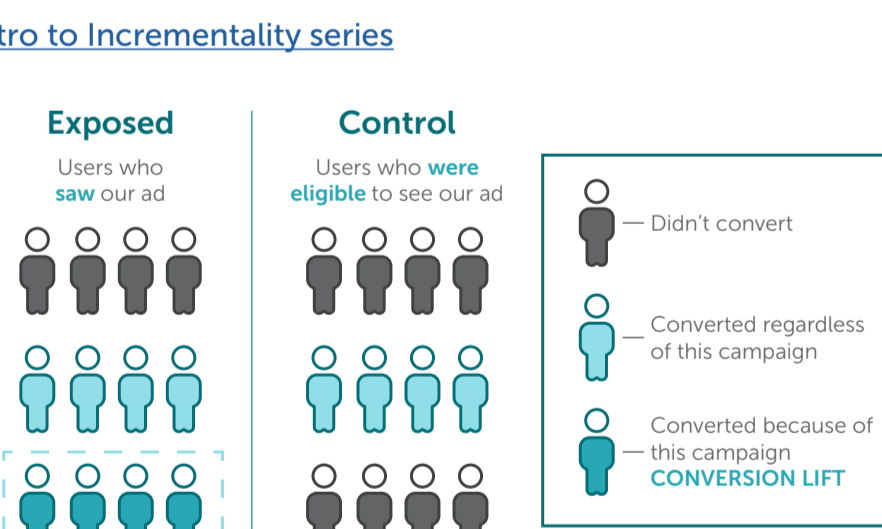
I. Incrementality Reporting

Incrementality measures which desired actions, like purchases or site visits, occurred as a direct result of a brand's campaign or variable within a campaign. With media budgets growing and advertisers experimenting with different channels and formats, understanding the true impact of your marketing efforts is crucial in making budgeting decisions and justifying scale.

Most marketers would (understandably) only want to spend money on channels that drive results and ensure a positive brand experience. While an increasing share of the industry is looking to move away from last-touch attribution, the majority of marketers still depend on it due to its ease-of-use. While last-touch is a simple way to assign credit, it's not the most accurate. Incrementality strives to identify the causal event of a conversion, allowing businesses to properly allocate budget and reduce wasted ad spend.

Want to learn more? Check out our [Intro to Incrementality series](#)

When implementing incrementality, brands need to make sure they are taking the necessary steps to see the full effects. The first step in incrementality is to create a control group, which is essentially a group that wouldn't be exposed to any ads. This group will remain a constant to analyze against the group that was exposed to the ad. Once you compare conversion rates of the control group vs. conversion rates of the exposed group, it will give you the percent of conversions that would not have happened if not for exposure to this campaign.



Incrementality is able to address native demand for products, site visits, leads etc. as well as all other media. With proper incrementality testing, both can be factored out entirely, getting right to the heart of the media type being analyzed to assess a true, bottom-line impact. Incrementality isn't about assigning credit to a conversion; it's about identifying the interaction that moves a user from passive to active. Whichever interaction influences an actual outcome is identified as incremental. Incrementality is a way to measure an event that wouldn't have occurred without a specific interaction, such as an ad view, and that resulted in the desired outcome, such as a conversion. By testing different influencing factors, advertisers can gain true insight into the value of their ad dollars.

II. Multi-Methodology Attribution

Attribution—the process of assigning credit for conversions to various marketing touchpoints along the customers' journey—has become a must have for growth and performance marketers. This information is critical to creating more effective ad campaigns and boosting revenue. In measuring conversions following ad exposure for CTV, it's important to understand which exposure caused the conversion to take place.

For example, if a person sees an ad on CTV and grabs their phone to do a quick search for the nearest location, then clicks on the link and places an order. This behavior will be attributed to Google, while in fact the search and the sale were 100% inspired by the TV ad. This faulty attribution dynamic has played out for years, resulting in hundreds of billions of dollars in valuation being hijacked by last-click digital companies.



Last-touch attribution has been the main measurement method, however, marketers now need to explore different attribution methodologies, given the increasingly fragmented media space and evolving consumer journey. The digital ad space needs to advance our understanding of single-touch measurement models, as they assign 100% of conversion credit to only one marketing touchpoint and often focus on only the first or last interactions, and adapt more sophisticated methods of analysis for campaigns.

By leveraging different attribution methodologies, marketers can gain more in-depth insights regarding ad effectiveness to drive future marketing decisions. Today, a person can be exposed to a brand's ad across numerous platforms and devices before making a purchase. There is more importance on assigning proper credit to each touchpoint so that marketers can determine where their budget should be spent.

With [Flip](#), you can quickly launch your Performance TV ad campaigns from a single, comprehensive platform. Simply select your audience, set your budget & goal, launch your campaign, and see the results in real time. [Request a demo today](#) to start advertising on CTV.

Find out more at digitalremedy.com